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November 4, 2010

**RECEIVED**

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

NOV 05 2010

**PUBLIC SERVICE  
COMMISSION**

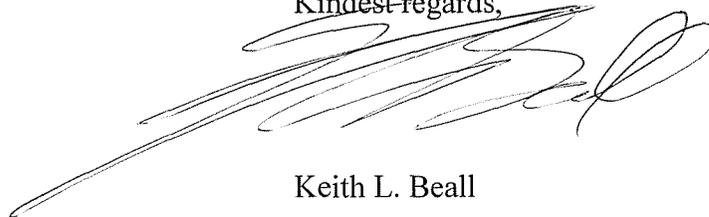
Re: PSC Case No. 2010-00043

Application of Big Rivers Electric Corporation for Approval to Transfer Functional Control of its Transmission system to Midwest Independent Transmission System Operator, Inc.

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of a letter from John Bear, CEO of the Midwest ISO ("Bear Letter"), in response to the conditions set forth in Finding No. 3 of the Commission's Order in Case No. 2010-00043 of November 1, 2010. A copy of the enclosed Bear Letter has been mailed to each person on the attached service list.

Kindest regards,



Keith L. Beall

KLB/ck  
Enclosures

cc: David Crockett  
Albert Yockey  
Doug Beresford  
Hon. Michael L. Kurtz  
Mark David Goss  
Hon. Dennis Howard II  
David Brown  
Hon. James M. Miller

**Midwest Independent  
Transmission System Operator, Inc.**

**Mailing Address:  
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Carmel, IN 46082-4202**

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**John R. Bear**  
Chief Executive Officer  
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November 1, 2010

RECEIVED  
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PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-0615

RE: Application of Big Rivers Electric Corporation for Approval to Transfer  
Functional Control of its Transmission System to Midwest Independent  
Transmission Systems Operation, Inc.  
**Case No.: 2010-00043**

Dear Mr. Derouen:

On November 1, 2010, the Kentucky Public Service Commission (“Commission”) issued an Order in the above-referenced matter granting Big Rivers Electric Corporation the authority requested in its Application subject to two (2) conditions. Relevant herein is the condition contained in the Commission’s Finding No. 6, Page 11 of its November 1, 2010 Order, wherein the Midwest ISO was directed to file, within seven (7) days, a letter acknowledging and accepting the explicit conditions set forth in Finding No. 3 which states:

3. No retail customer will be allowed to participate in any Midwest ISO demand response program until that customer has entered into a special contract with its retail electric supplier and Big Rivers, and the special contract has been filed with the Commission for review and approval.

The Midwest ISO has reviewed Finding No. 3 with counsel and represents that this obligation is consistent with the currently proposed Midwest ISO demand response registration process wherein any entity, including a Kentucky retail customer, must affirm and represent that they have the appropriate relevant electric retail rate authority’s (“RERRA”), approval<sup>1</sup>. In this case, the Commission, as the RERRA for Big Rivers, has made an explicit finding which creates conditions precedent to any retail customer in Big Rivers’ service territory who would otherwise

<sup>1</sup> This condition is consistent with the requirements of FERC Order 719 and 719A regarding demand response participation being dependent upon authority from the relevant electric retail rate authority.

want to register demand response assets in the Midwest ISO markets. Accordingly, the Midwest ISO accepts and agrees to be bound by and honor the specific condition set forth in Finding No. 3 of the Commission's November 1, 2010 Order.

Kindest Regards,

A handwritten signature in black ink, appearing to read 'John Bear', with a long horizontal flourish extending to the right.

John Bear  
Chief Executive Officer  
Midwest ISO

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